HARGROVE, SMELLEY, STRICKLAND & LANGLEY

JOSEPH L. HARGROVE, JR. DAVID L. SMELLEY PAUL A. STRICKLAND GLENN L. LANGLEY LOUISE F. PEARCE T. ISSAC HOWELL MAGAN F. CAUSEY (A PROFESSIONAL LAW CORPORATION)

AMERICAN TOWER, SUITE 600

401 MARKET STREET

SHREVEPORT, LOUISIANA 71101-3239

September 25, 2007

MAILING ADDRESS POST OFFICE BOX 59 SHREVEPORT, LOUISIANA 71161-0059 TELEPHONE (318) 429-7200 TELECOPIER (318) 429-7201

THOMAS J. WYATT (1942-1996)

OF COUNSEL
WILLIAM G. CONLY

Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 44275 Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston Zone, Reservoir D, and Cotton Valley Zone, Reservoir C, HICO-KNOWLES FIELD, Claiborne and Lincoln Parishes, Louisiana.

Dear Sir:

BEPCO, L.P. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Zone, Reservoir D, and to the Cotton Valley Zone, Reservoir C, in the Hico-Knowles Field, Claiborne and Lincoln Parishes, Louisiana:

- 1. To establish rules and regulations governing the exploration for and production of gas and condensate from each of these zones.
- 2. To create five (5) drilling and production units for the exploration for and production of gas and condensate from each of these zones, such units being shown on attached plats and being designated HOSS RD SUA through HOSS RD SUE, and CV RC SUA through CV RC SUE.
- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units with each tract sharing in unit production on a surface acreage basis of participation.
 - 4. To designate an operator of, and unit wells for, the proposed units as may be appropriate.
- 5. To propose that future wells drilled to these zones within or outside of the units proposed herein be located in accordance with the spacing provisions of Statewide Order No. 29-E.
- 6. To permit applicant to combine downhole production from the Hosston Zone, Reservoir D, and the Cotton Valley Zone, Reservoir C, in any well drilled on these proposed units in which the interests of the parties in the units on which the well is located are identical.
- 7. To define the Hosston Zone, Reservoir D, as the stratigraphic equivalent of that interval encountered between the measured depths of 5,664 feet and 8,400 feet in the Caruthers Producing Co., Inc.-Hood No. 1 Well, located in Section 22, Township 20 North, Range 5 West, Claiborne Parish, Louisiana.
- 8. To define the Cotton Valley Zone, Reservoir C, as the stratigraphic equivalent of that interval encountered between the measured depths of 8,400 feet and 12,470 feet in the Caruthers Producing Co., Inc.--Hood No. 1 Well, located in Section 22, Township 20 North, Range 5 West, Claiborne Parish, Louisiana.

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9. To consider such other matters as may be pertinent to either of these zones and reservoirs.

Any pertinent data concerning this application will be available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Blvd., Suite 204, Metairie, Louisiana 70002-7216. Any person wishing to inspect any such data should call Mr. Gilbert at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated September 13, 2007, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set October 4, 2007, as the tentative date for the pre-application conference. No request for the conference was received within ten (10) days after the date of said letter; therefore, no pre-application conference will be held.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of each of the unit plats showing the units proposed to be created (which are identical to the plats attached to the pre-application notice) is enclosed herewith, and a copy of this letter and of each of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Hico-Knowles Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed is our check payable to the Office of Conservation covering the application

fee.

David L. Smelle

Attorney for Bepco, L.P.

DLS:dp Enclosures

cc: Mr. Jim Broussard (w/encls.)

Mr. Brad Glasscock (w/encls.) Mr. Louis Gilbert (w/encls.) Mr. Peter Davis (w/encls.)

Interested Owners, Represented Parties and Interested Parties (w/plats only)



